

Education NOTES



School Fees: A Roadblock to Education For All

There is increasing momentum on the road to Education for All (EFA), but school fees are still a roadblock for too many children. Several African countries have recently abolished school fees outright. *The dramatic surge in enrollments that followed is strong evidence that the payment of fees can be a major obstacle to enrollment.*

The World Bank does not support user fees for primary education. Such fees are an important factor keeping the poorest children out of school in many countries, reducing momentum towards EFA. Fees for textbooks and other materials can also block access to learning for many more children. However, the availability of funds at the school level can improve teaching and learning. For this reason, World Bank programs increasingly support efforts to ensure that, as fees are eliminated, other sources of financing are available.

Increased Attention to User Fees as a Policy Issue

User fees have gained attention in recent years as a policy issue, in part because progress toward achieving universal primary education has intensified the focus on enrolling the remaining out-of-school population. When Malawi abolished tuition fees in 1994, enrollments increased about 51 percent. A similar decision in Uganda in 1996 led to a 70 percent increase in enrollments. Following the elimination of school fees in Cameroon in 1999, the primary gross enrollment rate went from 88 percent to 105 percent. Tanzania saw an even greater response; when it abolished fees in 2001, the net primary enrollment rate soared from 57 percent to 85 percent within one year. When Kenya eliminated fees the following year, 1.2 million additional students entered primary school.

Tuition fees are only part of the story. Households frequently face a wide range of user fees for publicly provided primary education, including textbook fees or costs and/or rental payments, compulsory uniforms, PTA dues, and various special fees such as exam fees and community contributions to district education boards.

Prevalence of Fees

Fees represent perhaps 20 percent of all education spending, and as much as 30 percent in Africa and even 40 percent in the former Commonwealth of Independent States (CIS) and Eastern European socialist countries. A survey of user fees in 79 World Bank client countries was conducted in 2001. Of these countries, only Algeria and Uruguay do not have fees of any type, while another eight countries allow only PTA or community contributions. Fees for textbooks or compulsory uniforms exist in about half the countries. Tuition fees are collected in almost 40 percent of countries.

The type of fee charged varies from region to region. In Africa, community contributions and PTA dues are the most common type (81% of countries surveyed). Other fees are less common but nonetheless significant: tuition (41%), textbooks (37%), uniforms (48%), and other activity fees (41%).

Tuition fees are common in the transitional economies of Europe and Central Asia (ECA). Many ECA countries have shifted costs formerly paid by the public sector to households. These fees are often collected unofficially and can represent a very high proportion of education expenditures. Fees for books are common in the former socialist countries. Compulsory uniforms are much more common in Eastern Europe (all the former socialist countries) than in the CIS where Azerbaijan is the only country in the survey to mandate uniforms. PTA and community contributions are required in almost all countries.

Based on the survey, there are only a few countries with tuition fees in Latin America and the Caribbean (LAC). Textbook fees are also relatively rare (29% of countries surveyed), but compulsory uniforms (76%) and PTA or community contributions (65%) are the norm.

Table 1: Summary Fee Survey Results

	Countries with Fees	Percentage of Countries in Survey	Countries with Unofficial Fees	Percentage of Fee-charging Countries with Unofficial Fees
At least one fee	77	97	na	na
Tuition fees	30	38	11	37
Textbook charges	37	47	12	32
Compulsory uniforms	39	49	0	0
PTA/community contributions	56	71	22	39
Activity Fees	34	43	13	38

Source: World Bank Survey, 2001.

In most of the countries in the Middle East and North Africa region, there is a disconnect between the constitutional right to a free education and the reality of fees. Tuition fees are collected in Egypt, Jordan, Tunisia and Yemen. In addition to PTA and community contributions, textbook fees are charged in half of the countries; fees for uniforms are relatively rare.

Fees are commonplace in South Asia, including for private tutoring. Public schools in both India and Pakistan charge tuition fees for primary education, as do schools in Bhutan and Nepal. Public schools in Sri Lanka and Bangladesh do not charge tuition. Over half of the countries in this region also impose textbook fees and require PTA and community contributions. Uniforms are not generally compulsory, except in Pakistan. A striking trend in recent years has been the increasing popularity of private schools, particularly in urban India and urban Pakistan. At private schools, fees are about the same as at public schools; however, parents perceive the quality as higher.

In East Asia and the Pacific (other than the former socialist countries), textbook fees (70% of countries), uniforms (80%), PTA and community contributions (80%) and other activity fees (70%) are common. Tuition fees are less common but exist in Indonesia, Papua New Guinea, and the Solomon Islands, in addition to China and Vietnam.

Utilization of Fees

Fees can account for a very high proportion of total educational expenditure on primary education. In 12 countries reviewed, the proportion ranges between 8 percent in Indonesia to 80 percent in Cambodia. The highest proportion of household spending on educational fees is generally for textbooks and uniforms, rather than for tuition. In most countries with fees, the fees are collected at the school level, especially textbook fees (although fees collected from the sale of books are normally sent elsewhere in the education system), PTA and community contributions (always), and activity fees (usually). Uniforms tend to be mandated nationally. Tuition fees offer a more mixed picture. In China, Egypt, and Kenya, for instance, fees are collected at the school, but not used by the school; in most other cases, fees are collected and used by the school.

Fees are often the main source of qualitative inputs. In India, for example, textbooks and learning materials account for 76% of the fees collected. Therefore, when fees are abolished, it is important that other sources of financing be available at the school level. Where and how fees are collected, and used, conditions the *type* of substitutes one could use, since for example, simply provisioning schools with some of the inputs they might have purchased with their own free income might not always be perceived by schools to be as efficient as purchasing their own inputs with their fee income. The textbook sales and rental schemes in Africa supported by the Bank appear to have been unsuccessful in reaching the poor. Even with a subsidy on the price, for instance, most rural primary students in Togo do not have books, a full set of which represents more than twice the average annual family spending on education.

Impact of Fees

The burden on households as a result of fee payments is significant. The poorer the family, the greater the burden of education spending. In Thailand, for instance, poor households spend 47 percent of their income on education while the average for all households is 16 percent (Table 2).

Table 2: Household Expenditures on Primary Education as a Percentage of Household Spending

		All Households	Poorest Quintile
ECA	Bulgaria	24	36
	Macedonia	13	17
East Asia	China	19	29
	Indonesia	17	17
	Mongolia	6	8
	Thailand	16	47
	Vietnam	12	22
South Asia	Nepal	16	29

Source: World Bank Survey, 2001. Mark Bray, Counting the Full Cost: Parental and Community Financing of Education in East Asia, World Bank, 1996.

There may, of course, be factors other than fees that contribute to low enrollments. A lack of supply (a lim-

ited number of schools within easy walking distance, or a limited number of schools offering the full primary cycle), the opportunity costs of attending school, the perceived low returns from schooling in the labor market, and other factors may contribute to low enrollments. For girls, the absence of female teachers, and the failure to provide separate toilets may be additional obstacles. However, fees tend to act as an intensifier, making these other issues assume greater importance. Countries that have reached full enrollment even while allowing school fees may also regress during periods of economic decline.

The two regions in which user fees appear to have the greatest negative impact on enrollment are Africa and ECA. These regions have experienced prolonged economic stagnation and decline in the last two decades. Inequality is high in Africa and increasing in ECA. Such circumstances tend to create a vicious circle—as governments find it harder to raise revenues and are more likely to resort to fees, parents simultaneously will find it harder to pay fees out of reduced or stagnant household incomes. Lower enrollment rates will in turn contribute to reduced economic productivity over time.

Offsetting Fees

Many countries recognize that fees can be a burden on the poor and may deter enrollments and learning. As a result there are many measures in place to mitigate the effects of fees, including a reduction or elimination of tuition fees for the poor, scholarships, free textbooks and other learning materials, and free uniforms. Some countries provide targeted subsidies to offset transport and other costs; others provide bursaries and stipends to enable poor families to overcome the indirect opportunity costs (in terms of lost contributions to the household economy) of attending school. The effectiveness of these mitigation strategies is mixed. Some countries, particularly in Latin America, have developed relatively successful targeting mechanisms. In many other countries, mitigation strategies are generally ineffective. Capitation grants (Uganda) and small grants programs

have been put in place in many countries and demonstrate the potential usefulness of these approaches.

Lessons Learned

The World Bank is actively involved in attempts to eliminate user fees, and to provide alternate sources of financing. Some important lessons are being learned from these efforts:

- Fee abolition alone can bring large numbers of children into school, but it cannot keep them there. It must be part of a broad government commitment to achieving universal primary enrollment, with complementary measures such as teacher recruitment, professional development, bridging courses and provision of teaching and learning materials, with strong political leadership from the highest levels.
- Indirect costs can be an even greater obstacle than fees. The World Bank has helped more than 30 countries to introduce stipends, targeted vouchers, bursaries, and other demand-side financing mechanisms to encourage the enrollment of the poor and of girls at all levels of education, in an effort to offset indirect opportunity costs.
- Fees cannot be abolished without consideration of whether, and how, they should be replaced by an alternative source of income. Replacement revenues can be provided by simply increasing expenditures on education, by improving the efficiency of education spending, or by use of debt relief funds to close the financing gap (as in the case in Cameroon). The Fast Track Initiative (FTI) *Catalytic Fund* also represents an extraordinary opportunity to provide temporary financing to EFA countries working towards the elimination of fees.
- Regardless of the source of fee replacement revenue, it is critical to help countries develop the capacity to make these funds available at the school level.

This note series is intended to summarize lessons learned and key policy findings on the World Bank's work in education. The views expressed in these notes are those of the authors and do not necessarily reflect the views of the World Bank. For additional copies of Education Notes, please contact the Education Advisory Service by email at eservice@worldbank.org or visit the web site: <http://www.worldbank.org/education/>

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